

191—29.2(509B) Notice regarding continuation rights.

29.2(1) An employer or group policyholder must provide written notice of the continuation right arising by virtue of termination of employment or membership, other than the notice required by Iowa Code section 509B.3(7), no later than ten days after termination.

29.2(2) The employee or member shall make an election regarding continuation of coverage in writing within ten days of the later of the date the insurance coverage would cease by virtue of termination of employment or membership or the date the notice set forth in subrule 29.2(1) is given and pay the premiums for the continuation coverage within 31 days of the date the group insurance would otherwise terminate. Payment by the employee or member shall be made in advance of coverage commencing.

29.2(3) An employer or group policyholder need only give written notice of termination of continuation coverage by reason of nonpayment of premium by the employee or member once, in advance, to the employee or member in some general form such as the certificate of coverage referred to in section 509B.3(7).

29.2(4) In the event of a right to continuation coverage arising because of dissolution or annulment of marriage or death of the employee or member, the person eligible for continuation, who shall be the spouse or the custodial parent or legal guardian on behalf of a dependent child, must notify the employer or group policyholder of the occurrence of the event within 30 days after the dissolution or annulment of marriage or death of the employee or member. Within ten days of receipt of that notice, the employer or group policyholder shall give the person notice of the continuation right, and that person shall have ten days from the date the latter notice is received to elect continuation coverage in writing from the employer or group policyholder.

29.2(5) An election to continue coverage received by an employer or group policyholder from an employee or member or other eligible person shall be promptly transmitted to the issuer of the policy. The issuer shall then cause coverage to be effective within ten days of receipt by the employer or group policyholder of the election, subject to receipt of the premium from the employee or member.

29.2(6) Notwithstanding subrule 29.2(5), continuation coverage shall run from the date of the qualifying event. An adequate premium to cover this period may be charged by an insurer.